

Report of Head of Legal and Democratic Services

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To: COUNCIL

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## **Local Authorities (Members' Allowances) (England) Regulations 2003 – proposal to appoint a joint Independent Remuneration Panel**

### **Recommendations**

Subject to the agreement of South Oxfordshire District Council, to:

- (a) extend the existing independent remuneration panel until the appointment of a joint independent remuneration panel;
- (b) appoint a joint independent remuneration panel with South Oxfordshire District Council to carry out reviews of the councillors' allowances schemes at both councils and make recommendations on any changes to the schemes to the relevant Council;
- (c) make the appointment of the Joint Independent Remuneration Panel effective until May 2020, one year after the 2019 district council elections;
- (d) authorise the head of legal and democratic services to make appointments to the Joint Independent Remuneration Panel, and advise councillors in due course of the outcome of the appointments process.

### **Purpose of Report**

1. To invite Council to appoint a joint independent remuneration panel with South Oxfordshire District Council for the purposes of reviewing the councillors' allowances schemes and making recommendations to the councils.

## **Background**

1. The council has a duty to establish and maintain an independent remuneration panel to review councillors' allowances and make recommendations to full Council. Council can only approve a councillors' allowances scheme having first considered the report of its independent remuneration panel.
2. The council adopted its current scheme following consideration of the panel's report, with the new scheme taking effect from May 2015.

## **The current independent remuneration panel**

3. The council appointed five independent persons to its current panel in 2011, with their terms of office running until May 2016, one year after the next district council elections.

## **Proposal for a joint panel**

4. The Council rejected a proposal for a joint independent remuneration panel in December 2014, as the two councils were separate organisations, had different allowances, and the Council believed that a joint panel would achieve limited efficiencies. However, the view was expressed that the new Council should reconsider the issue following the May 2015 elections.
5. In May 2015, South Oxfordshire adopted a revised allowances scheme bringing it almost completely in line with the Vale's scheme. There are some minor differences between the two schemes: the Vale pays a special responsibility allowance to the deputy leader of the council; South Oxfordshire pays special responsibility allowances to its licensing committee chairmen.
6. The leaders of South Oxfordshire and Vale of White Horse District Councils have agreed that as the two schemes are better aligned, Council should reconsider appointing a joint independent remuneration panel. Officers see merit in this proposal as there are now only minor differences between the two councils' schemes. This will reduce the time taken to review the two councils' schemes and the panel would also gain greater expertise working across the two councils. The aim is as far as possible to produce one joint scheme, which would be more efficient.
7. The panel must consist of a minimum of three independent persons who cannot be members of either council, nor be anyone who is disqualified from being an elected member of the council. Officers recommend that the panel is appointed after an advertisement, and a full application and appointment process.
8. The joint panel should ideally be appointed for a number of years to allow it to build up expertise in the councils' schemes, the regulations, government guidance and other best practice. Officers recommend that the panel is appointed until May 2020, one year after the 2019 district council elections. Council is asked to authorise the head of legal and democratic services to make appointments to the joint panel. Existing panel members from each council will be invited to apply, while simultaneously an advertisement will be placed on the council's website for new panel members. Councillors will be updated of the outcome of the appointments process.

## **Financial Implications**

9. The appointment of a single joint independent remuneration panel should bring economies of scale with less time required to conduct reviews. The process of reviewing the two councils' schemes should be simpler and avoid duplication of resources. The data gathering exercise in any review will be shorter as information can be shared across the two councils. While the aim will be to develop one joint scheme for operation across both councils, it is possible that there may be differences in the schemes the joint panel recommends to the two councils or in the scheme that each council decides to adopt. However, the schemes will have many similarities resulting from government regulations and guidance on councillors' allowances schemes, and that both councils operate a leader and Cabinet style of executive arrangements, and scrutiny committees. The remainder of the committee structures are similar also.

## **Legal Implications**

10. In accordance with the Local Government and Housing Act 1989, the Local Government Act 2000, and The Local Authorities (Members' Allowances) (England) Regulations 2003, councils have a duty to consider the findings of an independent remuneration panel before determining any councillors' allowances scheme. The regulations place a statutory obligation on the council to establish and maintain an independent remuneration panel to look at councillors' allowances and report its views to the council. There is a statutory obligation for a panel of at least three members, none of whom is also a member of the council or is a member of a committee or sub-committee of the council, nor disqualified from being an elected member of the council (s.80 of the Local Government Act 1972, and s79 and 83(ii) of the Local Government Act 2000).

## **Risks**

11. The concerns previously expressed by the Council that the two councils' schemes were significantly different has since been mitigated. The two councils' schemes now almost align. However, there is room for local differentiation where it can be justified.

## **Conclusion**

12. The Council is recommended to appoint a joint independent remuneration panel with South Oxfordshire District Council. This will avoid duplication of effort to conduct reviews of the councillors' allowances schemes and create parity if the councils adopt a single scheme. The Council is also recommended to authorise the head of legal and democratic services to make appointments to the panel.